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SUBJECT: JERUSALEM MEDIA REACTION (02/24): "FACING A MORE HOSTILE ISRAEL"

Main Stories:

Arab reaction to Israeli plans to demolish 88 homes housing 1,500 Palestinians in the East Jerusalem neighborhood of Bustan leads Al Al

Quds' coverage and features prominently on all front pages. The Arab League and Islamic countries are quoted calling for international action to stop the demolitions that are meant to clear the way for a new public park. PLO Executive Committee member Abid Rabbuh is quoted calling on President Obama to personally intervene. The PLO also called for a protest strike in the Palestinian Territories to take place on February 28. Additional Palestinian statements reiterated the view that the plans constitute an expansion of settlement activities and are aimed at changing the "demographic balance" in the holy city. The papers also note that Palestinians will arrange tours of Bustan for foreign diplomats and plan to launch an international legal campaign in support of the Palestinian owners' rights.

All front pages quote PLO chief negotiator Saeb Erekat announcing that Secretary of State Clinton plans to visit the Palestinian Territories on March 3 and 4, after participating in the Gaza reconstruction conference in Egypt. Erekat further adds that Clinton and Abbas will discuss, during her first visit to Ramallah, the agenda of the new Israeli government, the need to respect signed agreements between Israel and the Palestinians, ending Israeli settlement activities and the two-state solution. Erekat is also quoted stating that U.S. envoy Mitchell is expected to meet with Palestinian Authority(PA) President Abbas in Ramallah on February 127.

Al Quds and Al Ayyam run a front page report citing Reuters quoting an anonymous State Department official revealing that Clinton will announce \$900 million in assistance to the PA for Gaza

reconstruction. The official explained that the funds will not be channeled into Gaza through Hamas, but rather through the U.N. and other parties.

Al Quds' and Al Ayyam's front pages report on Israeli Defense Ministry concern over U.S. envoy George Mitchell's plans to open an office in Jerusalem. The reports cite Israeli daily Ma'ariv in explaining that Mitchell will probably monitor Israeli settlement activities "on the ground" instead of "just" looking at satellite photos. Mitchell will not accept, "procrastination or tricks," the reporting concludes.

All front pages cite AFP in reporting on an Italian plan for economic development in the West Bank, to be submitted at the next G-8 meeting. The plan will include building an airport to serve religious travelers and tourists to the West Bank. Al Ayyam and Al Hayat Al Jadida lead with news that Palestinian reconciliation talks will begin March 5 in Cairo. Al Quds also reports the item on its front page and joins Al Hayat Al Jadida in expressing pessimism over Hamas' participation. Al Ayyam, however, notes that a Hamas delegation, headed by deputy Hamas chief Abu Marzuq, has already headed to Cairo and is will hold a meeting with the Fatah delegation in the next few days to prepare for the talks.

All front pages report on Palestinian President Abbas' international tour which now finds him in Oslo. He is quoted calling for the resumption of peace talks on the basis of the two-state solution. Al Quds' front page runs a photo and a report on the EU parliament's fact finding mission in Gaza. The mission is headed by EU

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Parliament President Poettering who visited Gaza hospitals and other sites "devastated in the war." Poettering is quoted expressing support for Palestinian Authority President Abbas. Al Quds' front page reports on tension between the outgoing Israeli Premier Olmert and Israel's security establishment. Citing Israeli daily Ma'ariv, the paper reports that relations between Olmert and Defense Minister Barak have reached a state of "all out war" and that Olmert has replaced Defense Ministry envoy to Egypt Amos Gilad with Shabak head Yuval Diskin. The report notes the Gilad publically criticized Olmert for conditioning the truce in Gaza on freeing kidnapped Israeli soldier Shalit.

BLOCK QUOTES:

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1) Al Quds' editorial is titled, "Israel challenges the whole world"(02/24): "All these issues [settlement activities in Jerusalem, delays in truce and prisoner exchange talks, the recent Amnesty report] should be placed at the top of any Palestinian or Arab agenda for meetings with American or European envoys in the region. It is the duty of America, Europe and the international community to halt these Israeli policies and... make clear to Israel that it cannot continue its occupation and acts that threaten the security and stability of the region..."

2) Hani Al Masri reacts in Al Ayyam to a recent op-ed by Martin Indyk, former U.S. Ambassador to Israel (02/24): "The Israeli Government headed by Netanyahu was the one that ended the Oslo agreement, and the Likud party is now more extremist than it was in 1996. Israel is in an extremist rightwing mode... which makes it likely that Israel will opt for war, settlement expansion and aggression. We are now, Mr. Indyk, faced with a more hostile Israel, not an opportunity for peace!!"

WALLES